

APPENDIX A - EXPENDITURE FORECAST: FY 2000 - FY 2005											
MEDICAID AND CHIP PROGRAMS											
Submitted with Data through October 2002 (State and Federal Dollars in Millions)											
EXPENDITURES	Incurred Claims Basis										
	FY 2000	Growth	FY 2001	Growth	FY 2002	Growth	FY 2003	Growth	FY 2004	Growth	FY 2005
Non-Long Term Care Services											
Hospital -- Inpatient and Outpatient	\$494.0	12.8%	\$557.2	2.8%	\$572.9	(5.5%)	\$541.6	11.0%	\$601.1	9.9%	\$660.6
Inpatient Psychiatric	34.1	(4.3%)	32.6	12.4%	36.7	8.4%	39.7	14.3%	45.4	13.9%	51.7
Subtotal State Share Only	457.4	20.1%	549.3	18.5%	650.7	(1.2%)	642.9	14.1%	733.3	18.0%	865.7
Physician Services	160.5	17.1%	188.0	18.8%	223.4	(5.6%)	210.9	11.6%	235.4	12.4%	264.5
Lab and X-ray Services	25.5	12.2%	28.6	13.5%	32.4	(2.5%)	31.6	11.8%	35.4	11.8%	39.5
Dental	88.3	21.3%	107.1	16.0%	124.3	11.2%	138.2	(1.9%)	135.5	9.9%	148.9
Home Health Services	48.8	4.9%	51.2	3.3%	52.9	5.3%	55.7	7.9%	60.1	7.9%	64.8
Mental Health Services	31.2	12.1%	35.0	15.5%	40.4	0.8%	40.7	12.5%	45.8	12.7%	51.7
Other Services	137.7	14.5%	157.6	15.1%	181.3	4.5%	189.4	13.2%	214.5	12.8%	242.0
Subtotal - Non-LTC	\$1,477.4	15.5%	\$1,706.5	12.2%	\$1,915.0	(1.3%)	\$1,890.7	11.4%	\$2,106.5	13.4%	\$2,389.4
Capitation Payments and PCCM Fees											
Capitation Payments	149.1	5.3%	157.0	41.9%	222.8	63.4%	364.1	9.5%	398.6	8.8%	433.5
PCCM Fees	8.3	24.5%	10.4	6.1%	11.0	(20.4%)	8.8	35.8%	11.9	4.5%	12.4
Subtotal - Other Non-LTC Payments	\$157.4	6.3%	\$167.4	39.7%	\$233.8	59.5%	\$372.9	10.1%	\$410.4	8.6%	\$445.9
Total Non-LTC Payments	\$1,634.8	14.6%	\$1,873.9	14.7%	\$2,148.7	5.3%	\$2,263.6	11.2%	\$2,516.9	12.6%	\$2,835.3
Long Term Care Services - Institutional											
Nursing Facility	\$774.1	5.1%	\$813.5	3.5%	\$842.0	(5.5%)	795.8	2.5%	815.3	5.0%	856.1
ICF/MR	279.5	8.2%	302.3	9.9%	332.2	2.7%	341.4	0.9%	344.4	4.4%	359.7
Small Group / Private Facilities	233.5	7.3%	250.6	(2.7%)	243.9	2.0%	248.7	(2.6%)	242.2	2.2%	247.6
State Facilities	46.0	12.5%	51.8	70.6%	88.3	4.9%	92.7	10.3%	102.2	9.7%	112.1
Tot Subtotal - LTC	\$1,053.6	5.9%	\$1,115.8	5.2%	\$1,174.3	(3.2%)	\$1,137.1	2.0%	\$1,159.8	4.8%	\$1,215.8
Medicare Buy-In	\$60.3	11.0%	\$67.0	2.1%	\$68.3	14.2%	\$78.0	13.7%	\$88.7	12.8%	\$100.1
HCI	42.3	10.6%	46.8	3.3%	48.3	4.6%	50.6	5.0%	53.1	5.0%	55.8
Disproportionate Share Payments	133.4	(15.8%)	112.3	31.1%	147.2	(28.3%)	105.5	(10.7%)	94.2	2.0%	96.1
Rebates and Collections	(\$106.7)	20.1%	(\$128.1)	33.2%	(\$170.7)	(1.2%)	(\$168.7)	18.5%	(\$199.9)	16.7%	(\$233.3)
Additional Cost Containment Savings	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	(\$14.8)	77.6%	(\$26.2)
Total Expenditures - Medicaid GF Assistance	\$2,817.7	9.6%	\$3,087.7	10.6%	\$3,416.2	1.5%	\$3,466.1	6.7%	\$3,698.0	9.3%	\$4,043.6
Mental Health Rehab	132.8	20.2%	159.6	17.1%	186.9	22.1%	228.2	16.1%	265.0	14.3%	302.8
Home/Community Based Waivers	104.1	28.0%	133.2	31.6%	175.3	58.0%	276.9	32.2%	366.2	17.9%	431.7
ARCH	6.0	(7.9%)	5.5	(6.7%)	5.2	6.7%	5.5	0.0%	5.5	0.0%	5.5
Total Expenditures	\$3,060.6	10.6%	\$3,386.0	11.7%	\$3,783.6	5.1%	\$3,976.7	9.0%	\$4,334.7	10.4%	\$4,783.6
Medicaid Assistance (Incl. ARCH)	2,998.3	10.7%	3,318.0	12.0%	3,715.6	5.0%	3,900.0	8.9%	4,248.1	10.3%	4,685.6
CHIP Assistance	62.4	9.0%	68.0	0.1%	68.0	12.7%	76.7	12.9%	86.6	13.2%	98.0

Notes:

1. Other Non-LTC services includes DME, Transportation, Chiropractor, Hospice, Optometry, Dialysis and Other services.
2. Rebates and Collections includes third party liability recoveries, prescription drug rebates, and Package C premiums.
3. Additional Cost Containment Savings includes: Disease management savings and Other PBM Savings.
4. The OBRA '90 pharmacy rebate was increased from 18.5% to 21% starting in FY2002.
5. The following cost containment measures have been reflected in this forecast:
 - Hospital Reimbursement Rebasing
 - Mandatory Risk Based Managed Care
 - Nursing Home Inflationary Reduction Factor & Direct Care Profit Add On
 - Nursing Home Minimum Occupancy - 65% and 75%
 - Nursing Home Other (behold, case mix, crossover claims)
 - Pharmacy (AWP, MAC, Dispensing Fees, Copays)
 - Pharmacy - Preferred Drug List and Other PBM Savings
 - Dental Cap & Other Policy Changes
 - Continuous Eligibility Revisions
 - Non-LTC Medicare Crossover Reimbursement
 - Disease Management and Case Management
 - Medicaid Select ABD-PCCM Program
 - New Collection Initiatives
 - Eligibility Loopholes